



24 May, 2023

Mr Jason Lange
Executive Director
Office of Impact Analysis
Department of the Prime Minister and Cabinet
1 National Circuit
BARTON ACT 2600

Dear Mr Lange

Impact Analysis – Multinational Tax Integrity Package – Second Pass Final Assessment

I write in relation to the attached Impact Analysis prepared for the government’s multinational tax integrity package – an election commitment to raise revenue and address tax integrity issues. In line with best practice guidance, the Impact Analysis focuses on the best means of implementing the measures. The status quo is referenced for completeness.

I am satisfied the Impact Analysis addresses the issues raised in your letter of 17 May 2023. Specifically, the Impact Analysis now includes further details clarifying the policy objective, the criteria against which success will be measured, and an evaluation plan. The assumptions underpinning the calculation of the compliance cost estimates, and whether these estimates have been tested with stakeholders, have also been further detailed.

The government’s multinational tax integrity election commitments are part of a broader legislative package targeting multinationals and corporate entities. In implementing these integrity measures, some compliance costs will be inevitable as businesses keep abreast of tax law changes and adapt accordingly. The estimated total start-up compliance costs for businesses affected are, cumulatively, around \$90 million, with ongoing costs of around \$5 million per year. I note that the final implementation options have been designed to balance the tax integrity intent with minimising compliance costs for businesses.

While a regulatory offset has not been identified, Treasury is seeking to pursue net reductions in compliance costs and will work with affected stakeholders and across Government to identify regulatory burden reductions where appropriate.

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Accordingly, I am satisfied that the Impact Analysis is now consistent with the six principles for Australian Government policy makers as specified in the Australian Government Guide to Policy Impact Analysis.

I submit the Impact Analysis to the Office of Impact Analysis for formal final assessment

Yours sincerely



Diane Brown
Deputy Secretary
Revenue, Small Business and Housing Group
The Treasury